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FISCAL IMPACT STATEMENT

LS 7226

BILL NUMBER: SB 265

NOTE PREPARED: Mar 17, 2005

BILL AMENDED: Feb 3, 2005

SUBJECT: Transfer of Grant Funds by Political Subdivisions.

FIRST AUTHOR: Sen. Jackman

FIRST SPONSOR: Rep. Duncan

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill specifies that the appropriating body of a political subdivision may appropriate any state or federal grant funds that are a reimbursement of an expenditure by the political subdivision without using additional appropriation procedures.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) Currently, political subdivisions must hold a public hearing and request approval from the state Department of Local Government Finance before making additional appropriations from their general funds. Just as fiscal officers may automatically appropriate insurance money intended for repairing damaged property of the unit without holding a public hearing, this bill would allow an appropriating body to automatically appropriate state or federal grants received as reimbursements for expenses to the fund from which the expenses were made.

The fiscal impact of this bill will vary among political subdivisions as it is based on any time and expense saved by not holding a public hearing.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Political subdivisions.

Information Sources:

Fiscal Analyst: Valerie Ruda, 317-232-9867.